

RECOGNIZING DAN BLEDSOE

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, November 8, 1997

Mr. HUNTER. Mr. Speaker, I rise today to recognize the extraordinary service and dedication of a constituent in my district, Mr. Dan Bledsoe. Dan is a great American who has spent many years of his life defending and honoring our country with selfless service and dedication.

In 1948, Dan enlisted in the Marine Corps Reserve until 1950 when the Korean war began and his unit was called into active duty. Assigned as a scout-sniper, Dan served in several military campaigns during the war, including battles at Inchon, Seoul, and the Reservoir Campaign where 120,000 Chinese Communist troops surrounded an 18,000 U.N. troop location in North Korea. After serving his final campaign in central Korea, Dan left the Marine Corps, being promoted to Sergeant and receiving six battle decorations for his service and outstanding performance.

Dan went on to enroll in the University of San Francisco and, after graduating with a bachelor of science degree in 1955, he entered the Federal Bureau of Investigation [FBI] Academy. Dan went on to serve 25 years as a special agent with the FBI working all across the country and receiving 33 awards that stemmed from successful investigations that resulted not only with the recovery of valuable property and millions of dollars, but lives being saved as well. During this time, Dan also found the time to graduate from Pepperdine University with a master in arts degree in management.

Dan retired from the FBI in 1980 and went to work in the private sector where he continued to serve his community as a member of the Los Angeles Olympic Organizing Committee and then marketing director for the Public Safety Training Association in San Diego until 1989. Married for 42 years and father of two children, Dan currently works as a management consultant and remains active as a member of several athletic and social clubs.

Mr. Speaker, Dan is a symbol of commitment and dedication to his fellow citizens and community. He has pledged a great share of his life to the service of others and as a distinguished soldier, law enforcement officer, and businessman, he was provided his peers with a great example of what it means to be an American. Today, let us congratulate and thank Dan for his unwavering contributions, he is well deserving and I wish him great happiness in his future endeavors.

TAX REFORM

HON. JERRY WELLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

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Mr. WELLER. Mr. Speaker, earlier this week, we passed legislation to restructure and reform the IRS. One of the things that this bill would accomplish is the establishment of an Internal Revenue Service oversight board. If any of my colleagues are wondering why we need more oversight of the IRS, I would invite

them to review the statement I am enclosing in the CONGRESSIONAL RECORD today.

The statement, entitled "If You Don't Have Two Motors, You Can't Have Your Money," was recently posted on the INCONGRESS Web site (www.incongress.com) by Cliff Harvison, president of the National Tank Truck Carriers. It details the plight of small business owners who have been denied a tax credit—established over 40 years ago by the Congress—for fuel used for off-highway purposes. The IRS has essentially disregarded this tax credit for "administrative convenience." In other words, the IRS does not trust the taxpayer to tell the truth and does not want to take the trouble to verify factual information itself, so the IRS simply keeps the taxpayers' money.

My distinguished colleague from Nebraska [Mr. CHRISTENSEN] and I have introduced legislation, H.R. 1056, to remedy this problem and force the IRS to comply with the law Congress passed over 40 years ago. However, we have been told that the IRS opposes it. I would hope that we would, perhaps for administrative convenience ignore the IRS and pass it anyway.

Mr. Speaker, this is perhaps one of the most blatant examples of IRS arrogance that I have seen since becoming a Member of Congress. It is stories like this that so clearly justify the need for more oversight of the IRS.

At this point I would like to insert into the RECORD the document entitled "If You Don't Have Two Motors, You Can't Have Your Money," which was posted on the INCONGRESS Web site by Cliff Harvison, president of the National Tank Truck Carriers. I commend it to all of my colleagues and invite them to join with me in cosponsoring H.R. 1056 to restore the off-highway tax credit and supporting H.R. 2676, the Internal Revenue Service Restructuring and Reform Act of 1997.

IF YOU DON'T HAVE TWO MOTORS, YOU CAN'T HAVE YOUR MONEY BY CLIFF HARVISON, PRESIDENT, NATIONAL TANK TRUCK CARRIERS

"If you don't have two motors on your truck, you can't have your money." That's what the IRS has told the tank truck carriers, the waste haulers, the cement mixers and others. The Congress has been hearing a lot of "horror stories" lately about taxpayers being wronged and ripped off by the IRS. Many of these abuses are dramatic, but few have been going on as long as the financial harm the IRS has been inflicting upon members of the National Tank Truck Carriers (NTTC) and many other small businesses. The IRS has been keeping money which legally belongs to these taxpayers for years. The IRS' reason for doing so? "Administrative convenience."

THE MONEY: IT BELONGS TO OUR MEMBERS, BUT THE IRS IS KEEPING IT

For over thirty years the IRS has refused to allow federal fuel tax credits to many of our members despite the fact that the law clearly states they are entitled to this money. These members pay federal highway taxes on all fuel purchased at the pump, even though some of the fuel is used for off highway purposes and should therefore, pursuant to the IRS Code, not be subject to these taxes.

Congress decided in 1951 to provide a tax credit for off-highway business use to taxpayers that pay fuel taxes. However, the IRS apparently decided long ago that it did not like the law, so it simply found a way to ignore it and keep the money anyway.

Generally speaking, off-highway use is the operation by a vehicle of some function other than driving down the road. A tank truck, for instance, consumes fuel for two purposes: first to power the truck as it drives down the street, and second, to operate the pump that loads and unloads its tanks. Operating the pump is precisely the kind of activity the Congress had in mind when it created the tax credit for "off-highway business use." The tank truck operator is entitled by law to obtain a tax credit for any fuel consumed for this purpose.

THE POLICY: YOU CAN'T GET YOUR MONEY UNLESS YOU HAVE TWO MOTORS

In order to receive the credit the taxpayer is supposed to submit to the IRS an accounting of fuel usage by the vehicle which accurately reflects the amount of fuel used for non-highway purposes. However, the IRS decided that it could not trust the taxpayer. So, it decided to simply deny the credit by writing a regulation providing that, in order to qualify for the credit, you must have two separate motors on your truck—one to drive it down the road, the other to power your pump. In other words, the IRS said to the taxpayer, "We don't trust you; we don't care how you conduct your business; we don't care what type of efficient equipment you need or use. If you want to get your money back from us, your truck must have two motors."

THE RATIONALE: THE IRS' "ADMINISTRATIVE CONVENIENCE IS MORE IMPORTANT THAN THE RIGHTS OF TAXPAYERS

Despite the absurdity of the "you can't get your money unless you have two motors" policy, when this regulation was challenged in the Tax Court, the court upheld the IRS, acknowledging that this rule existed for the IRS' "administrative convenience." In other words, the court decided that the administrative convenience of the IRS was more important than the taxpayers' rights under the law. The Tax Court ruled that the IRS could keep money that the Congress said belonged to the taxpayer—or, alternatively, the IRS could force the taxpayer to go out and buy a truck with an extra motor if it wanted to get the tax credit to which the Congress said it was entitled.

THEY DON'T MAKE 'EM LIKE THAT ANYMORE

Adding to the absurdity of this policy the same decision which upholds the IRS' "two motors or you can't get your money" policy, which incidentally was written in 1995, contains the following information about the availability of trucks with extra motors:

"The parties have stipulated that since the early 1970's, manufacturers of vehicles have stopped producing standard vehicles that contain a separate motor to power the vehicles' separate equipment."

IF YOU HAVE A COMPUTER YOU DON'T NEED TWO MOTORS

Aside from the fact that it is almost impossible to find vehicles for sale that have two motors, the availability and widespread use of computers which keep accurate and verifiable track of fuel usage today totally undermines the IRS' original rationale of the two-motor rule. Even if there was arguably some rationality behind the policy when it was first implemented back in the fifties, that so-called logic is no longer valid in today's world. The IRS is well aware that computers can more accurately keep track of fuel usage than can two separate motors. We have provided them with this information.

IF STATES CAN DO IT, WHY CAN'T THE FEDS?

Various states have found equitable ways that are not "administratively inconvenient" to either rebate or provide credits for